

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
Bismarck, ND 58502**

June 20, 2006

SUBJECT: Water and Waste Disposal Interest Rates, Grant Levels, Applicable Median Household Incomes

TO: Business & Community Program Section

PURPOSE/INTENDED OUTCOME: Advise of median household income levels, and quarterly changes in interest rates.

COMPARISON WITH PREVIOUS AN: This AN replaces ND AN No. 1457 (RUS 1780) dated March 27, 2006.

IMPLEMENTATION/RESPONSIBILITIES: Water and Waste Disposal loans approved July 1, 2006, through September 30, 2006, will have interest rates as set out below. The 2000 Census Data and Median Household Income will be used for all applications.

Interest Rates

- 4.5% - Poverty Line Rate: Must meet conditions of RUS Instruction 1780.13 (b) (1) and (2).
Poverty Rate Income: \$27,104 or less.
- 4.5% - Intermediate Rate: RUS Instruction 1780.13 (c), not to exceed 7%.
Intermediate Rate Income: \$27,105 to \$33,880
- 4.5% - Market Rate: RUS Instruction 1780.13 (d).
Market Rate Income: \$33,881 or more

Median Household Incomes for Grant Determination

Median Household Income \$27,104 or less considered for 75% grant.

Median Household Income \$27,105 to \$33,880 considered for 45% grant.

Median Household Income \$33,881 or more: Not eligible for grant.

CLARE A. CARLSON
State Director

EXPIRATION DATE:
September 30, 2006

FILING INSTRUCTIONS:
Following RUS Instruction 1780